



County of San Diego

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To the honorable members of the Board of Supervisors and the Citizens of San Diego County:

The Comprehensive Annual Financial Report (CAFR) of the County of San Diego (County) for the fiscal year ended June 30, 2012, is hereby submitted in compliance with Sections 25250 and 25253 of the Government Code of the State of California.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Macias Gini & O'Connell LLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the County of San Diego's financial statements for the year ended June 30, 2012. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

County Profile

San Diego County is the southernmost major metropolitan area in the State of California and covers 4,261 square miles, extending 75 miles along the Pacific Coast from Mexico to Orange County, and inland 75 miles to Imperial County along the international border shared with Mexico. Riverside and Orange counties form the northern boundary. The County enjoys a wide variety of climate and terrain, from coastal plains and fertile inland valleys to mountain ranges and the Anza-Borrego Desert in the

east. The Cleveland National Forest occupies much of the interior portion of the County. The climate is equable in the coastal and valley regions where most of the population and resources are located. The average annual rainfall in the coastal areas is 10 inches, so the County is highly dependent on imported water.

In March 2011, the U.S. Census Bureau estimated the County's population for 2010 to be 3,095,313, an increase of 10.0% from the 2000 figure of 2,813,833. The State of California Department of Finance released population data incorporating the 2010 Census counts as the benchmark showing the County's revised population estimate for January 1, 2011 was 3,115,810 and the County's population estimated for January 1, 2012 was 3,143,429. San Diego is the second largest county by population in California behind Los Angeles County. There are 18 incorporated cities in the County; of them, the City of San Diego is the largest, with a population of approximately 1,321,315; and Del Mar is the smallest, with a population of approximately 4,194. In addition, the Tijuana, Mexico, metropolitan area with an estimated population of approximately 1,751,430 according to the 2010 census, is a substantial urban neighbor with a shared border, workforce, and economy.

The racial and ethnic composition of the County is as diverse as its geography. The regional population for 2030 is forecasted to be 3.9 million according to the San Diego Association of Governments' (SANDAG's) 2050 Regional Growth Forecast final series as of October 2011. SANDAG projects that in 2030 San Diego's population breakdown will be 41.9% White, 37.0% Hispanic, 11.4% Asian and Pacific Islander, 5.4% African American, 3.5% two or more races, and 0.8% in all other groups. A significant growth in the Hispanic population is seen in this projection.

County Government, Economy and Outlook

County Government

San Diego became one of California's original 27 counties on February 18, 1850, shortly after California became the 31st State in the Union. The County functions under a charter adopted in 1933, as subsequently amended from time to time. A five-member Board of Supervisors elected to four-year terms in district, nonpartisan elections governs the County. Each board member is limited to no more than two terms and must reside in the district from which he or she is elected.

The Board of Supervisors sets priorities for the County and oversees most County departments and programs and approves their budgets. Per California Government Code Section 23005, the County may exercise its powers only through the Board of Supervisors or through agents and officers acting under the authority of the Board or authority conferred by law. The Board of Supervisors appoints the following officers: the Chief Administrative Officer (CAO), the County Counsel, the Probation Officer and the Clerk of the Board of Supervisors. The Chief Administrative Officer appoints the Chief Financial Officer, the Auditor and Controller and all other appointive officers. The CAO assists the Board of Supervisors in coordinating the function and operations of the County; is responsible for carrying out all of the Board's policy decisions that pertain to the functions assigned to that officer; and supervises the expenditures of all departments. Elected officials head the offices of the Assessor/ Recorder/ County Clerk, District Attorney, Sheriff and Treasurer-Tax Collector.

The State Legislature has granted each county the power necessary to provide for the health and well-being of its residents. The County provides a full range of public services to residents, including law enforcement, detention and correction, emergency response services, health and sanitation, parks and recreation, libraries and roads. The County also serves as a delivery channel for many State services, such as foster care, public health care and elections. These services are provided by five business Groups (Public Safety, the Health and Human Services Agency, Land Use and Environment, Community Services and Finance and General Government), each headed by a General Manager who reports to the CAO.

Economy and Outlook

The U.S. economy suffered through a very deep recession beginning in December 2007 and ending in June 2009 according to the National Bureau of Economic Research (NBER). The recession lasted approximately 18 months making it the longest recession since 1929. The economic events of

September and October, 2008, in particular, have had far reaching and long-term impacts on the financial markets in the U.S and around the world.

On July 27, 2012, the Bureau of Economic Analysis (BEA) released revised data for 2009 through 2011 that indicated that the recent recession had been slightly less deep and the early part of the subsequent recovery had been a bit more gradual than previously thought. In 2011, the revised real gross domestic product (GDP) increased by 1.8% compared to the revised 2.4% increase in 2010. According to the second estimate released by the Bureau of Economic Analysis, the U.S. economy increased at an annual rate of 1.7% in the second quarter of 2012. In the first quarter, real GDP increased by 2.0 percent.

The forecast for 2012 depicts a real GDP increase of 2.2% from 2011. Real GDP growth is expected to continue in 2013.

Minutes from the Federal Open Market Committee meeting on July 31 and August 1, 2012, indicated that economic activity increased at a slower pace in the second quarter than earlier in the year and labor market conditions have improved little in recent months. In the second quarter, consumer price inflation was markedly lower than in the first quarter, mostly reflecting declines in consumer energy prices, while measures of longer-run inflation expectations remain stable. Private nonfarm employment expanded in June at about the same modest pace as in the second quarter as a whole, and government employment decreased slightly. The unemployment rate improved compared to 2011; however, long-duration unemployment has stayed elevated.

Conditions in the housing market generally improved further in recent months, but activity remained at a low level against the backdrop of the large inventory of foreclosed and distressed properties and tight underwriting standards for mortgage loans. Manufacturing production decelerated significantly in the second quarter following a large gain in the first quarter. The production of motor vehicles and parts increased considerably last quarter, but factory output outside of the motor vehicle sector was essentially flat. Households' real disposable income rose at a faster pace than consumer spending in both the first and second quarters, boosted in part in recent months by lower energy prices. Real business expenditures on equipment and software rose in the second quarter at a faster pace than in the first quarter. However, new orders for nondefense capital goods excluding aircraft decreased and the backlog of unfilled orders decelerated sharply.

Some significant risks facing the U.S. economy in 2012 include continued weakness in the housing market, continued uncertainty among households and businesses about the economic outlook, slower global economic growth, concerns about the fiscal and banking situation in the Euro area, and the overall outlook for global economic growth (Source: Minutes from the Federal Open Market Committee meeting on July 31 and August 1, 2012.) Households continue to face significant challenges - including limited growth in disposable income, stubbornly high unemployment levels, tight credit markets, and burdensome, although declining, mortgage debt (Source: State of California Legislative Analyst's Office (LAO) 2012-13 Budget: Economic and Revenue Update February 27, 2012).

California's economy continues to recover from the impact of the worst recession since the Great Depression. In 2011, California's labor market registered gains, albeit at an uneven pace during the course of the year. Further, California is on track for a second year of net job gains. In a year-over-year comparison (July 2011 to July 2012), nonfarm payroll employment in California increased by 365,100 jobs (up 2.6 percent). The state unemployment rate fell modestly from 12.4% in 2010 to 11.7% in 2011. The July 2012 unemployment rate was 10.9% which was equal to the seven month average for 2012. Across the major industries of the state, 2011 brought some much needed relief after years of job losses. Most, but not all, industries in the state registered gains, with the largest percentage increases coming in Information, Education, and Administrative Services. Further, most of the major industries saw job gains continue into 2012.

Aerospace and technology has continued to add jobs in 2012. International trade continues to play an important role in the state's economy, and California ranks as the second largest exporting state in the country. California's largest exports come from aerospace, pharmaceuticals, other information technology sectors, and agriculture. Imports outweigh exports by a 2-to-1 margin. The tourism and hospitality industry in the state has improved over the past two years. Occupancy rates through the first five months of 2012 rose by roughly 3% in the major markets of the state. (Source: Los Angeles County Economic Development Corporation - The Kyser Center for Economic Research: 2012-2013 Mid-Year Economic Forecast and Industry Outlook, July 2012).

Following a decline of 5.4% in 2009, real personal income grew by 2.5% in 2010 and 3.5% in 2011. Taxable sales declined 14.4% in 2009 and grew by 3.0% in 2010 and are estimated to grow by 6.5% in 2011 (final taxable sales figures will not be available until early 2013). Consumer spending continues to be impacted by this economic volatility. California's economy

continues to recover from the steep recession. Nonfarm employment grew by 0.9% in 2011 and is projected to grow by 1.6% in 2012 and 1.8% in 2013. In 2012, real personal income is expected to grow by 1.5% and taxable sales are predicted to increase by 4.3%. More improvement is expected in 2013.

For 2012 and 2013, even with the headwinds of a global economic slowdown, California's economy should move forward this year and next. While the labor market is still years away from normal, progress will be made over the next two years with gains in private sector jobs, notably in technology-related industries, professional and business services, and information, with some welcome gains in construction. (Source: Los Angeles County Economic Development Corporation - The Kyser Center for Economic Research: 2012-2013 Mid-Year Economic Forecast and Industry Outlook, July 2012).

San Diego certainly shared the pain of the recession along with the rest of Southern California. The outlook for San Diego County for the second half of 2012 is for continued though moderate expansion (Source: Los Angeles County Economic Development Corporation - The Kyser Center for Economic Research: 2012-2013 Mid-Year Economic Forecast and Industry Outlook, July 2012). Unemployment in the region in 2011 averaged 10.0%, and was lower than the 2011 median of 10.4% for the 10 largest counties in the State. In 2012, the average unemployment rate for the first seven months was 9.2%.

Another indicator of economic health is county taxable sales. Taxable sales started to decline overall in the County in 2007 and that trend continued in 2008 and 2009. In 2010, taxable sales showed moderate growth. While the annual figures on taxable sales for 2011 are not yet available from the California State Board of Equalization, sales tax revenues in 2011 have shown continued improvement. One category that has contributed to the higher growth rates in 2011 has been increased fuel costs. Growth in taxable sales is expected to continue in 2012 and 2013.

The state of the economy plays a significant role in the County's ability to provide core services and the mix of other services sought by the public. The real estate market slump has impacted the County's general purpose revenue (GPR), although GPR is expected to increase marginally in fiscal year 2013 from fiscal year 2012. General purpose revenue is relied upon to fund local services where no other funding is available, as well as to fund the County's share of costs for services that are provided in partnership with the State and federal government. The County is also adjusting to new roles and responsibilities in the areas of health, public safety, and redevelopment.

County management continues to evaluate and respond to the changing economic environment and its impact on the cost and the demand for County services. Specific actions are detailed in the fiscal year 2013 Adopted Operational Plan which can be accessed at <http://www.sdcountry.ca.gov/auditor/opplan/adoptedlist.html>.

County's Economic Base

The County's economic base consists of a significant manufacturing presence (e.g. energy storage, cybersecurity, and clean tech), a large tourist industry attracted by the favorable climate of the region, a considerable defense-related presence, and the region is a thriving hub for biotech and telecommunications industries. Highlights of County employment as of July 2012 are listed below:

- Non-agricultural, industry employment totaled 1,254,700 jobs. This represents a gain of 14,500 jobs from the unadjusted July 2011 employment figures.
- The services industry, including information, professional and business services, education and health services, leisure and hospitality, and other services, constitutes the largest employment sector and accounted for approximately 48.8% of non-agricultural employment, with a total of 612,400 employed.
- The wholesale and retail trade industries were the second largest non-government sector, comprising approximately 14.0% of non-agricultural employment totaling 175,100 jobs.
- Government accounted for approximately 17.5% of non-agricultural employment (219,800). San Diego's military presence contributes to this significant component.
- Manufacturing accounted for an additional 7.4% of non-agricultural employment (92,600), up 200 jobs from the unadjusted employment figures for July 2011.
- The construction sector is greatly influenced by the general health of the economy, and in particular, population and housing growth. Construction employment, which accounted for 4.7% of total non-agricultural employment or 58,400 jobs, was up 3,900 jobs from the unadjusted July 2011 employment figures.
- The financial sector, including finance, insurance, real estate and related employment, represents 5.5% of non-agriculture employment (69,600). Financial activities experienced an increase of 800 jobs from the unadjusted employment figures for July 2011.
- Transportation, Warehousing and Public Utilities accounts for 2.1% of non-agricultural employment (26,400).
- Agriculture (9,400) and mining (400) accounted for approximately 0.7% of total employment.
- Self-employed, household domestic workers and miscellaneous other categories not captured in industry employment represents approximately 13.8% or 201,600 of total employment (1,465,700). This category experienced an increase of 39,400 jobs from the unadjusted employment figures for July 2011.
- The San Diego County region experienced a net job gain of 53,600 from the July 2011 unadjusted employment figure of 1,412,100 (representing civilian labor force data by place of residence including self-employed, household domestic workers, unpaid family workers and workers on strike) to the July 2012 level of 1,465,700. This compares to an increase of 3,200 jobs the previous year. The County has been in the midst of significant volatility. San Diego's index of leading economic indicators has trended higher since April 2009. More current indicators show that the economy continued to gradually improve during 2012. Stock prices, building permits, help wanted advertising, consumer confidence, and the national economy as measured by the Conference Board Index of Leading Economic Indicators were positive in July 2012.

County revenues that are affected by the state of the local economy include property taxes, sales taxes, and charges for services. Key factors impacting these revenues include real estate activity and consumer spending which are in turn greatly influenced by interest rates and employment levels. Short and long-term interest rates are low by historical standards. Overall, there seems to be a general view that the pace of economic recovery at the national, state and local levels will continue to be gradual.

An impact of the housing market's recent turmoil has been an improvement in the California Association of Realtors index for first-time buyers throughout California. Based on the California Association of Realtors' First Time Buyer Housing Affordability Index, San Diego's housing affordability index, (the percentage of households that can afford to purchase an entry-level home) stood at 65% in June 2012 compared to 64% in June 2011. Further, this is a substantial increase from 27% in December 2006. This index is based on an adjustable rate mortgage and assumes a 10% down payment and a first-time buyer purchase of a home equal to 85% of the prevailing median price. The improvement in the percentage of households that could afford to buy an entry-level home in San Diego was based on the market-driven drop in entry-level priced homes, the corresponding adjustment to the monthly payment needed

(including taxes and insurance), and an adjustment to the qualifying income level for the lower priced entry-level homes.

Sources: State of California Department of Finance, U.S. Census Bureau, U.S. Department of Commerce Bureau of Economic Analysis, San Diego Association of Governments (SANDAG) - San Diego's Regional Planning Agency, the State of California Employment Development Department, and the California Association of Realtors.

General Management System

The County's General Management System (GMS) is the framework that guides the management of County operations and service delivery to residents, businesses and visitors. The GMS identifies how the County sets goals, prioritizes the use of resources, evaluates performance, ensures cooperation and recognizes accomplishments in a structured, coordinated way. By developing and adhering to a written operations manual, the County of San Diego is able to create and maintain an organizational culture that values efficiency, innovation, and fiscal discipline and that provides focused, meaningful public services that improve lives and benefit the community.

At the heart of the GMS are five overlapping components which ensure that the County asks and answers crucial questions:

Strategic Planning asks: *Where do we want to go?* The Strategic Plan looks ahead five years to anticipate significant needs, challenges, risks and opportunities that are likely to develop and sets goals for the future. Long-range strategic planning activities require us to assess where the County is and where it wants to be.

Operational Planning asks: *How do we get there from here?* Operational Planning allocates resources over the next two fiscal years to specific programs and services that support the County's long-term goals as articulated in the Strategic Plan. This includes adoption of an annual budget and approval in principle of a second year spending plan.

Monitoring and Control asks: *How is our performance?* Monitoring and Control shows whether the County is on track to achieve its goals. The County evaluates its progress frequently, including structured monthly, quarterly and annual reviews so that necessary adjustments may be made without delay.

Functional Threading asks: *Are we working together?* Although the County is divided into groups, departments and divisions for operational purposes, the County has many critical functions and goals that cross these organizational lines. Functional threading ensures that information and resources are

coordinated and shared throughout the organization to achieve common goals, solve problems and maximize efficiency.

Motivation, Rewards and Recognition asks: *Are we encouraging excellence?* County employees must embrace the GMS disciplines and understand how this system guides the success of County operations and contributes to their success on the job. To encourage excellence, managers must set clear expectations, provide incentives, evaluate performance and reward those who meet or exceed goals. And County employees meet the challenge by becoming Knowledge Workers who are comfortable with changing technology and who prepare themselves and their departments for changes expected in the future.

The five GMS components form an annual cycle that is renewed each fiscal year with review of the Strategic Plan and development of a new Operational Plan.

Strategic and Operational Planning (Budgetary) Process

As noted above, a five-year Strategic Plan is updated annually to provide long-term direction to County managers and staff. The Strategic Plan is developed by the Chief Administrative Officer and the County Executive Team, based on the policies and priorities set by the Board of Supervisors and an enterprise-wide review of the issues, risks and opportunities facing the region and the County organization. In reviewing the Strategic Plan as of the annual GMS cycle, it was determined that some changes were needed in order to keep up with the changing world we live in and the residents that we serve. These changes were also made to promote increased collaboration between Groups and Departments to better achieve our goals. As a result, the County of San Diego Strategic Plan for Fiscal Years 2012-2013 through 2017-2018 contains three new Strategic Initiatives which are:

- **Safe Communities** - Promote safe communities,
- **Sustainable Environments** - Support environments that foster viable, livable communities while bolstering economic growth, and
- **Healthy Families** - Make it easier for residents to lead healthy lives while improving opportunities for children and adults.

Each fiscal year a two-year Operational Plan is prepared and details each department's strategic objectives and the resources required to achieve them. The Operational Plan is monitored regularly and is linked to the GMS system of rewards and recognition. Pursuant to Government Code 29000 et seq., State law allows the Board of Supervisors to formally adopt only the first year of the Operational Plan as the County's

budget. State law permits modifications to the adopted budget during the year with approval by the Board of Supervisors, or in certain instances, by the Chief Financial Officer. The Chief Administrative Officer reviews the status of the County's performance against the budget in a quarterly status report to the Board of Supervisors.

Financial (Budgetary) Policies

Government Code (GC) Sections 29000 through 29144, provide the statutory requirements pertaining to the form and content of the County's Budget. Government Code Section 29009 requires a balanced budget in the proposed and final budgets, defined as "funding sources shall equal the financing uses".

County Charter Section 703 establishes the Chief Administrative Officer as responsible for all Group/Agencies and their departments (except departments with elected officials as department heads) and for supervising the expenditures of all departments and reporting to the Board of Supervisors on whether specific expenditures are necessary.

County Administrative Code Article VII establishes the components and timeline for the budget process and establishes the Chief Administrative Officer as responsible for budget estimates and submitting recommendations to the Board of Supervisors.

The County has the following financial policies that serve as guidelines for the budget process:

Board of Supervisors Policies

A-136 Use of County of San Diego General Management System for Administration of County Operations: Establishes the General Management System (GMS) as the formal guide for the administration of County departments, programs and services, and ensures that all County departments and offices operate in compliance with the GMS.

B-29 Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery: Provides a methodology and procedure to encourage County departments to recover full cost for services whenever possible.

B-71 Fund Balance and Reserves: Establishes guidelines regarding the use of fund balance and the maintenance of reserves in order to protect the fiscal health and stability of the County. Expenditures for services are subject to fluctuations in demand and revenues are influenced by changes in the economy and by State and federal regulations. This policy ensures the County is prepared for unforeseen events by establishing and maintaining prudent levels of fund balance and reserves.

M-13 Legislative Policy: State-Mandated Local Program Costs: Calls on the State and Federal Legislature to encourage equitable reimbursement of mandated local program costs.

Administrative Manual

0030-01 Procedure for Fees, Grants and Revenue Contracts for Services Provided to Agencies or Individuals Outside the County of San Diego Organization: Establishes a procedure within the framework of Board of Supervisors Policy B-29, to serve as guidance in the process of recovering full costs for services provided to agencies or individuals outside the County of San Diego organization under grants or contracts or for which fees may be charged.

0030-06 State Mandated Cost Recovery: Establishes guidelines to attempt full recovery of all State mandated costs resulting from chaptered legislation and executive orders.

0030-14 Use of One-Time Revenues: One-time revenue will be appropriated only for one-time expenditures such as capital projects or equipment, not to ongoing programs.

0030-22 Revenue Management - Auditor and Controller Responsibilities: The Auditor and Controller is responsible for reviewing and evaluating revenues from all sources in order to maximize these revenues within legal provisions and to institute internal controls and systems to be used by departments to estimate, claim, and collect revenues.

Strategic Initiatives and Achievements

Embracing change is the key challenge for area governments. The County of San Diego is rising to that challenge and continually looks to improve by seeking opportunities to streamline operations, utilize technology to provide innovative solutions for services, create space- and energy-efficient workplaces, and expand the services and information to the public through the use of online and social media.

During Fiscal Year 2011-12, all County programs supported at least one of the three Strategic Initiatives of the County of San Diego's Fiscal Years 2011-16 Strategic Plan.

- **Kids** - Improve opportunities for children and families,
- **The Environment** - Manage the region's natural resources to protect quality of life and support economic development, and
- **Safe and Livable Communities** - Promote safe and livable communities.

The Strategic Plan also commits the organization to adhere to eight key internal organizational disciplines that are necessary to maintain a high level of operational excellence and accomplish the Strategic Initiatives. These Required Disciplines for Excellence are:

- **Fiscal Stability** - Maintain fiscal stability to ensure services that customers rely on, in good times and in bad.
- **Customer Satisfaction** - Ensure customers are provided with superior services.
- **Regional Leadership** - As a regional leader, the County forges cooperative partnerships and leverages additional resources for residents.
- **Skilled, Adaptable and Diverse Workforce** - Develop a committed, skilled, adaptable and diverse workforce that turns plans and resources in to achievement and success.
- **Essential Infrastructure** - Provide the essential infrastructure to ensure superior service delivery to our residents.
- **Accountability/Transparency & Ethical Conduct** - Ensure accountability to ourselves and the public by requiring that county business be conducted as openly as possible, resulting in the efficient and ethical use of public funds.
- **Continuous Improvement** - Achieve operational efficiency through continuous efforts to improve and innovate, thereby maximizing value for taxpayers.
- **Information Services** - The County of San Diego will be the center of Information Services innovation for advancing the delivery of County services, anytime and anywhere.

Within the structure of the two-year operational planning process, the County plans for and attains interim progress toward achievement of the Strategic Initiatives. Some of the highlights over the last year were:

Kids: Improve Opportunities for Children and Families

Implemented second year of "Live Well, San Diego!" to achieve the County's vision of healthy, safe and thriving communities by:

- Supporting positive choices that integrate healthy and safe living and encourage financial stability.
 - Continued to promote self-sufficiency by serving eligible recipients on public assistance programs; over 76,000 people per month in CalWORKs, over 251,000 per month in CalFresh, and over 354,000 per month in Medi-Cal.

- Received a Community Nutrition Education Program (CNEP) multi-year State grant to increase access and nutrition education for CalFresh eligible or potentially eligible clients.
- Provided resources to homeless families exiting from transitional housing.
- Building a better service delivery system that recognizes the importance of safety in achieving healthy people, healthy communities and thriving families.
- Made it easier for people seeking help on issues such as mental health, alcohol or drug abuse and suicide prevention by revising the phone number for the Access and Crisis Line to reflect the seven days a week, twenty-four hours a day service to (888) 724-7240.
- Implemented the Low Income Health Program (LIHP) that funds medical care for uninsured adult County residents. LIHP uses a network of community health centers along with hospitals, community physicians and mental health providers throughout San Diego County to provide health care services.
- Obtained funding for a program that will help residents with complex needs and chronic health conditions better manage their care and reduce hospital visits. This funding from the Beacon Community Project will be used to develop and administer evidence-based Care Transition services in three hospitals in the San Diego County region (Scripps Mercy, Sharp Memorial and UCSD Medical Center), building upon the successful Aging and Independence Services Care Transitions pilot program at Sharp Memorial.
- Received a Community Transformation Grant (CTG), a multi-year grant from the U.S. Department of Health and Human Services, to reduce chronic diseases, promote healthier lifestyles, reduce health disparities and decrease health care costs.
- Established partnerships and implemented child support related programs with community-based organizations who deal with non-custodial parents.
- Created a separate team within Child Welfare Services (CWS) to case manage all youth over the age of 17 that remain active to CWS. Now that Assembly Bill 12, the California Fostering Connections to Success Act, has extended foster care to the age of 21, this team will ensure that these youth have the tools and resources they need to successfully exit from foster care at the appropriate time.

- Pursuing policy and environmental changes that make it easier to be healthy, enhance safety, and support communities that thrive.
 - Completed year two of the two-year Communities Putting Prevention to Work grant. The grant worked closely with residents, businesses and community leaders to develop and implement policies, systems and environmental approaches that make healthy living easy, safe and affordable. Efforts included partnering local farmers with local schools to bring fresh fruits and vegetables to students, creating a 'safe routes to school' countywide coalition, and completing draft framework for integrating public health goals into the 2050 Regional Transportation Plan and Regional Comprehensive Plan.
 - Improved the culture from within by training County staff to recognize that traumatic events impact individual health, community safety and financial stability.
 - Rolled out an employee training based on Behavioral Health Services' "It's Up to Us" campaign to increase understanding of mental illness, to reduce stigma, and to encourage people to help others or seek help for themselves.
- Performed over 11,000 stormwater inspections (goal was 8,000) during the construction phase on private development projects to ensure compliance with the state's requirements, reduce erosion and minimize downstream pollutants.
- Continued to partner with prosecutors and other regulatory agencies to enforce compliance with hazardous waste, hazardous materials and underground storage tanks laws when cooperative and educational efforts fail. As part of this effort, two inspectors attended the Federal Law Enforcement Training Center's advanced environmental crimes multi-jurisdictional training.
- Completed 11 oil collection events - recycling 97,779 gallons of used oil and 30,742 used oil filters and completed five tire collection events - recycling 5,211 tires.
- Protected the health and safety of the region's \$1.65 billion agricultural industry and its customers from damaging exotic insects, diseases and noxious non-native weeds.

Safe and Livable Communities: Promote Safe and Livable Communities

Continued to provide programs that break the cycle of criminal recidivism, protected the public and focused on the successful reentry of offenders into the community upon leaving incarceration.

- Provided rehabilitative services to youth in custody to prepare them for success in the community.
- Participated in Offender Reentry Court, Behavioral Health Court, Adult and Juvenile Drug Court, Homeless Court and the Veterans Treatment Review Calendar to ensure clients obtained the services they need to become self-sufficient and maintain a crime-free lifestyle.
- Conducted 1,039 compliance audits in the unincorporated area and Sheriff's contract cities to ensure that registered sex offenders remained in compliance with court ordered offender registration requirements.

Continued partnerships with other agencies to address public safety needs.

- Collaborated with criminal justice partners and social service providers and developed protocols for a High-Risk Domestic Violence Team to support improved outcomes for victims of domestic violence.
- Participated in multi-agency operations including gang operations, truancy sweeps, probation and parole sweeps and sobriety checkpoints.
- Continued to contribute to research efforts in childhood death by actively participating in the San Diego County Child Fatality Committee, the

The Environment: Manage the Region's Natural Resources to Protect Quality of Life and Support Economic Development

- Completed adoption of a new County General Plan, to provide an up-to-date, consistent framework for development that streamlines the development and development review processes.
- Acquired 474 acres within the Multiple Species Conservation Plan (MSCP) areas. The MSCP streamlines the development process and facilitates the creation of viable permanent open space preserves.
- Acquired, preserved and enhanced significant natural and historical/cultural resources and designed, developed and operated park facilities in an environmentally responsible and efficient manner that promoted resource sustainability.
- Promoted green building, including sustainable building practices, renewable energy and energy efficiency through economic incentives such as reduced fees and fee waivers.
- Improved energy and water efficiency in 12 (goal was 8) department facilities by native landscaping, retrofitting or installing new water- and energy-efficient equipment, acquiring electric vehicles, and replacing older vehicles with energy-efficient vehicles to reduce water and energy usage.

Methamphetamine Strike Force, the Medical Examiners and Coroners Alert Project, the National Institute of Child Health and Human Development and the California Sudden Infant Death Syndrome (SIDS) Advisory Council. Participation includes attending meetings, providing statistics and case examples, and lending expertise.

- Completed Step II of the County's Fire and Life Safety Reorganization Report, which included the merging of the five County Service Areas into the San Diego County Fire Authority - County Service Area (CSA) 135.

Continued to strengthen the County's and communities' ability to prepare for, respond to and recover from disasters.

- Implemented 24-hour staffing at all fire stations in coordination with the local fire districts.
- Developed an advanced post-disaster recovery initiative which provides a comprehensive program that identifies steps the County can take pre-disaster that will accelerate recovery after a catastrophic event.
- Initiated development of the Regional Communications System replacement plan; Federal Urban Area Security Initiative grant funding for replacement of the core was approved in January 2012.
- Developed and implemented a public awareness campaign on the County's new Accessible AlertSanDiego mass notification system that directs blind, hard-of-hearing and deaf/blind residents to the ReadySanDiego website.
- Established a public information program on the tenth anniversary of 9/11 to educate and advise the general public as to how to recognize and report suspicious activity. The program, which reached 3.1 million residents as well as visitors to San Diego County, was available on the Web, through distributed materials, the local media and through community events.
- Provided public outreach notification to residents in the unincorporated area on the Defensible Space Program, the inspection process and procedures. This program is designed to protect homes during wildfires by reducing flammable vegetation around structures.
- Mitigated fire fuel hazards and maintained fire safe zones in 44 (goal was 24) park facilities through continued implementation of fuel management practices.
- Implemented the 2011 Consolidated Fire Code, which consolidated the fire codes of the 16 individual fire districts and the San Diego County Fire Authority - CSA 135.
- Reduced risks of wildfire by collaborating with the San Diego County Fire Authority in the application of land use policies that promote development that mitigates wildfire impacts, protecting new and existing communities.

Continued to enhance safety throughout our communities.

- Awarded and managed construction contracts for road improvement projects in various county communities to enhance safety and improve traffic flow and prepared four road reviews to evaluate County roads with higher than statewide average collision rates, recommending implementation measures to help reduce the number of collisions.
- Increased teen driving safety through education and awareness by conducting 65 Start Smart classes and five community teen driving fairs.
- Met Hazardous Incident Response Team (HIRT) goal to be on the scene of a hazardous incident they are dispatched to within 60 minutes over 90% of the time. The team averaged a 98.4% on time arrival rate.
- Increased volunteer patrol hours by 130% (from 2,962 to 6,808 hours) to assist in creating safer parks and preserves by providing extra security for park users.

Continued to enhance the quality of life throughout our communities.

- Ensured that consumers are charged the correct price by conducting three outreach presentations to educate local merchants and retailers about price accuracy compliance.
- Increased the number of undercover residential fumigation inspections from 6 to 47 to increase enforcement presence where violations affect public health and worker safety.
- Maintained hours of service at 33 libraries and 2 mobile libraries.
- Conducted the Presidential Primary Election in June 2012, increasing the number of accessible polling places by 11.5%.
- Achieved the goal of 0% euthanasia of any healthy, friendly animal at County animal shelters.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2011. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting

principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Other Awards and Recognitions

The County of San Diego works hard to maintain its standing as a best practices organization, offering programs that improve the lives of San Diego County residents in ways that are relevant and measurable. The County is proud that its leadership in these areas has been recognized for the following:

- In 2012, the County of San Diego has once again won national recognition by the National Association of Counties (NACo). Thirty-nine programs received the Achievement Awards for excellence. San Diego County and Los Angeles County tied for the most awards in the country this year. These awards, selected from 21 categories, recognize innovative programs that modernize county government and increase services to residents. The award-winning programs operate within all five County business groups and include programs that serve children, youth and seniors, as well as those that promote environmental protection, public safety and efficient, effective county administration.
- The San Diego County Taxpayer Association recognized the County of San Diego Capital Program as the winner of the 2012 Grand Golden Watchdog Award. As a result of cost saving measures over the past decade, the County of San Diego Capital Program will save taxpayers approximately \$1.46 billion over the next 30 years. By setting aside cash reserves during the years of high revenue growth, the County has been able to pay cash for one time capital improvement projects rather than financing them with long-term debts.
- San Diego County Library was honored with the prestigious 2012 Library of the Year award by the educational publishing company Gale and Library Journal magazine which recognizes outstanding service to the community, creativity and leadership. The County Library's unprecedented growth in recent years, strategic budget allocation and innovative programming all helped it earn the award.
- The National Recreation and Park Association's Environmental Agency of the Year Barb King Environmental Stewardship Award went to the Department of Parks and Recreation for its work on land acquisitions, project design, stewardship,

preservation and outreach. The award was also based on the County's role as a national leader in conserving open space and natural resources cultivating environmental stewardship in others.

- The Center for Digital Government provided national recognition with the Digital Government Achievement Award for an innovative program to help rural residents get Medi-Cal and CalFresh (formerly Food Stamps). This video program makes it easier for some 450,000 residents living in the rural North County and North Inland Regions to access needed County services. The County was awarded second place in the Digital Counties Survey 2011 for those with a population over 500,000. This award recognizes leading examples of counties using information and communications technology.

Detail of recognitions of excellence received by San Diego County that highlight the County's progress in meeting its strategic goals include:

Strategic Initiative - Kids

- The Department of Housing and Community Development received a 2012 Award of Merit from the National Association of Housing and Redevelopment Officials for its Homelessness Prevention and Rapid Re-Housing Program. Since 2009, the program has provided housing to 77 homeless families and prevented 69 families from becoming homeless.
- The leading national organization for intergenerational programming, Generations United, and the MetLife Foundation designated San Diego County as one of five Best Intergenerational Communities for recognizing the value of promoting strong bonds between the generations.
- The National Association of Counties (NACo) Achievement Awards - 2012
 - "It's Up to Us" Mental Health Awareness and Stigma Reduction - a five-year mass media campaign designed to empower San Diegans to talk openly about mental illness, recognize symptoms, utilize local resources and seek help.
 - "Positive Solutions" Depression Busters for Homebound Seniors - a program to help homebound or socially isolated seniors who are at risk of depression or suicide redirect their lives to be more social and active, and to rediscover pleasure.
 - Acoustic Showcase Series - an inexpensive and fun program hosting free concerts outside of local library branches in the County.
 - Caregiving Clips Webinar Series - a series of online videos featuring regional experts on topics of interest to family caregivers.

- Child Support Employer Webinar - a live, online webinar presentation to more effectively educate employers on their responsibilities when receiving an Income Withholding Order (IWO) for employees' mandated court ordered child support deductions.
 - Health & Human Services Agency Video Interviewing - Through collaboration with community partners, the County established Video Interviewing as a means to improve customer service and enhance access to health coverage and food assistance.
 - Healthy Works: Paths to Healthy Living Media and Marketing Campaign - a comprehensive and innovative program developed and launched as part of a large-scale effort to curb the tide on the obesity epidemic.
 - Passport to Healthy Aging: Elder Multicultural Access and Support Services - a grassroots approach to assist immigrants and refugees, who often fail to navigate the public services system, with increased access to, and education about, strategies to improve mental and physical health.
 - Parenting Classes - developed by the County Library to provide educational assistance to parents with raising children.
 - Public-Private Partnership to Improve Access to Nutrition and Health Benefits - a successful partnership with 2-1-1 San Diego (2-1-1) a local, private non-profit organization, to increase access to CalFresh and Medi-Cal benefits.
 - Recovery Innovations-Client Operated Peer Supported Mental Health Services - a program that integrates mental health, rehabilitation and recovery services for adults who have serious mental illnesses, to improve their mental health and quality of life.
 - SmartCare: Integrated Physical and Behavioral Healthcare for Rural Families - a program to provide integrated physical and behavioral health care to the rural areas that are historically underserved, particularly when it comes to mental health treatment.
 - The California State Association of Counties (CSAC) awarded San Diego County, a California Counties Innovation Award for the reformation of the In-Home Supportive Services (IHSS). The creation of a new program integrity initiative and other measures, including integration of a long-term care system with wrap-around services blending health and social services funding while reducing gaps in care, reduced program cost growth from an average of 8-10 percent annually to 0.2 percent. Annual budget expenditures were \$24 million less than projected.
 - CSAC Challenge Award 2011
 - Free Foreclosure Prevention HOME Clinic - which provides counseling and education for families facing bankruptcy or foreclosure in partnership with the Housing Opportunities Collaborative.
 - Camp Connect San Diego - which brings together siblings separated by placement in the foster care system. The program offers approximately 65-80 children opportunities to connect with their siblings through four-day camps and all-day activities.
 - CSAC Merit Award 2011
 - Educating Non-Custodial Parents - for videos produced in-house by Department of Child Support Services and posted on the department website in an effort to engage parents owing child support to participate in the process.
 - For the third time the California Child Support Director's Association, honored San Diego County Department of Child Support Services (DCSS) as the state's Top Performing County (very large). DCSS ranked highest for outstanding performance on five federal performance measures and dollars given to families.
 - The It's Up to Us campaign received the Inspiration Media Award from the National Association on Mental Illness San Diego. The campaign reinforces the idea that mental health is just as important to quality of life as physical wellbeing, and also educates people about mental health challenges and the use of local resources.
 - The First 5 Commission of San Diego's Oral Health campaign received the top Public Service Announcement (PSA) Award from the Public Relations Society of America. The honor recognized efforts to promote good oral health care for pregnant women and children through the age of five.
- ### Strategic Initiative - The Environment
- The National Association of County Park and Recreation Officials' (NACPRO) recognized the Department of Parks and Recreation with two awards:
 - The Removing Barriers Initiative Award for the newly constructed cabins at Dos Picos County Park for their Americans with Disabilities Act (ADA) accessibility.
 - The Park and Recreation Program Award for the 2011 Movies in the Park series.
 - The Department of Parks and Recreation also won the Recreation Facility/Park Design Achievement Award for the Collier Park Soccer Arena from the

California Park and Recreation Society District. The construction of the soccer arena incorporated ADA design guidelines and "green" technologies.

- The National Association of Counties (NACo) Achievement Awards - 2012
 - Accessory Dwelling Unit Ordinance - a Zoning Ordinance to streamline the regulations regarding various accessory dwelling types, second dwelling units and guest living quarters.
 - Innovative Approach to Promoting Low Impact Design Techniques - Through a unique partnership with the Water Conservation Garden at Cuyamaca College, the County of San Diego funded installation of two exhibits using Low Impact Design (LID) principles to reduce the contribution of pollutants from urban runoff and stormwater to local water bodies.
 - Tiered Winery Ordinance and Environmental Impact Report - new winery regulations covering approximately 441,000 acres within the unincorporated County, to establish small boutique wineries on agricultural lands without the need for a discretionary permit.
- The completed Valley Center Road Bridge project received the 2012 Project of the Year Award from the American Public Works Association (APWA) and the 2012 Transportation Project Achievement Award from the Construction Management Association of America.
- A housing reconstruction project at San Pasqual Academy built in the wake of the 2007 Witch Creek Fire received two Gold Nugget awards from the Pacific Coast Builders Conference. The project won an Award of Merit in the Green Sustainable Communities category and a Judges Special Award of Excellence.
- The completed Black Canyon Road Bridge project received a 2012 Honor Award from APWA and a 2012 Outstanding Bridge Award from the American Society of Civil Engineers.

Strategic Initiative - Safe and Livable Communities

- National Association of Counties (NACo) Achievement Awards - 2012
 - Accessible Hazard Alert System - Accessible AlertSanDiego - a regional system to improve the emergency alerts for residents with sensory disabilities (deaf, blind, hard of hearing, or deaf/blind).
 - Community Ratings System Program - a voluntary program that recognizes and encourages community floodplain management activities that exceed the standard of the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program's requirements.

- Community Law School - an innovative effort to provide free legal education by bringing lawyers and judges to the public at the trusted venue of the library.
- District Attorney Collaboration with Public Defender and Private Defense Counsel on eDiscovery - a system to streamline the dissemination of discovery materials to defense counsel.
- Drive Like Your Life Depends On It - The Patrol Speed and Safe Driving Initiative to address high speed on-duty patrol related collisions developed by the San Diego County Sheriff's Department.
- eVisit System - The Sheriff's Department schedules over 114,000 Inmate Social Visits each year. Previously, the scheduling was done exclusively by phone, which caused extended wait times. The eVisit System allows the public (with internet access) to schedule an Inmate Social Visit via the internet, resulting in a more efficient operation.
- Flood Forecasting for the San Luis Rey River Watershed - To combat damaging floods and forecast potential flood impacts, the County has developed a first of its kind model for forecasting flooding throughout the 562 square mile San Luis Rey watershed.
- Justice Electronic Library System - This completely automates the distribution, receipt and off-site use of Probation documents, police reports, and other documents received from outside parties that are all required for Juvenile Court Delinquency hearings.
- San Diego County Emergency Portal Website - a new emergency portal website that provides the public with updates on evacuations, shelters, interactive maps, and other critical information delivered to wherever people are - at home, at work, or on a mobile device.
- San Diego County Probation Tracking Known Offenders - a collaborative project where the Probation Department provides information and criminal intelligence to assist the Sheriff's Department in solving crimes, and the Sheriff's Department assists the Probation Department in the field supervision of medium and high risk probationers by enforcing court orders.
- San Diego County Probation Youthful Offender Unit (YOU) - a local custodial and community supervision program to address the highest risk youthful offenders who were formerly sent to State institutions.

- *Veterans Treatment Review Calendar* - a collaborative court approach to the adjudication of veterans with military-related mental health problems.
- The California Association of Public Information Officials honored the County with the Award of Distinction for its antiterrorism awareness campaign. Part of the campaign included a video, called "Eight Signs of Terrorism", which was promoted to the public and used to train employees at the County, City of San Diego and other local government agencies.
- The County's Juvenile Forensic Assistance for Stabilization and Treatment Program (JFAST) - a collaborative court program for juvenile offenders with mental health needs, was awarded the 2012 Juvenile Justice "At Large" Award by the County Juvenile Justice Commission.
- CSAC Merit Award 2011
 - Integrated Fire Suppression/Stormwater Compliance System - this system was developed in collaboration with area industry other stakeholders to enhance safety, ecological stewardship, and efficiency.
 - Responsible Pet Ownership (RePo) - this program works like a "traffic school" for individuals cited for minor animal violations, providing resources, rehabilitation and cost savings while reducing recidivism and court time.
 - Senior Expo: Protect Yourself and Your Wallet - these events help prevent crimes against older adults by empowering and educating seniors with physical and financial self-defense techniques. The program has educated more than 1,100 seniors at 24 events.
- The Sheriff's Department Helicopter Unit ASTREA received a Partnership Award CAL FIRE, State fire protection agency. The award recognizes the cooperation between law enforcement and fire agencies in times of wildfires and other emergencies.

Operational Excellence Awards

The awards listed below pertain to programs or accomplishments that support the County's Required Disciplines as outlined in the General Management System:

- National Association of Counties (NACo) Achievement Awards - 2012
 - Advanced Competencies for the Administrative Professional of the 21st Century - A decreasing workforce and increasing numbers of San Diego residents needing services spawned the creation of a rigorous seven week training program to empower administrative support staff at the Health & Human Services Agency to develop the skills needed to meet these heightened demands.
- Automating Housing Inspections Saves Staff Time, Mileage & Gas - A computerized route optimization and planning program for inspection of rental assistance housing units that replaces Housing and Community Development's manual process of routing and scheduling inspections.
- AWM Invoice Bar Coding - a bar coding program for processing permit and registration payments in the Agriculture, Weights and Measures Department, which has resulted in increased efficiency and reliability.
- Cloud-Based Contract Administration System - a cloud-based contract administration software service that has increased oversight of contracting functions by the department, employee or contractor.
- Deferred Compensation Women & Retirement Program - as part of a retirement planning and investment educational campaign for all County employees, this focused program presented an opportunity to incorporate education aimed at a clearly defined audience while addressing current objectives and reaching a whole new audience.
- Deputy Sheriff Cadet Recruitment Redesign - a substantial redesign by the Department of Human Resources, of the recruitment process for qualified Deputy Sheriff Cadets through more effective screening of applicants at the front end of the process, that has resulted in expedited recruitment of quality candidates.
- Development of Portfolio Accounting and Portfolio Analytics Interface - a technology-based data extraction process allowing staff to perform analytics on current and historical portfolios.
- District Attorney Transcription Process Reengineered - a comprehensive streamlined approach developed to ensure an accurate reproduction of evidential recordings from law enforcement agencies about an alleged crime by an individual or individuals.
- E-Audit for Health & Human Services Contractors - In support of a comprehensive initiative called "Live Well, San Diego!", the Health and Human Services Agency developed a program to automate the manual process of contractor audits.
- Preventing 1503 MEDS Errors - an electronic training course designed to help eligibility staff prevent the 1503 Critical Medi-Cal (a.k.a. Medicaid) Eligibility Determination System (MEDS) errors.

- *Public Administrator/Public Guardian E-referral System* - an online system that allows the public as well as community and County partners to refer individuals to the Public Administrator or Public Guardian electronically over a secure internet, thus improving customer service.
- *San Diego County SDFusion* - a centralized intelligence indexing system in the Sheriff's Department that provides increased data sharing between law enforcement agencies, improves disaster preparedness and delivers actionable data to assist decision making by officers and first-responders in the field.
- For the tenth consecutive year, the Government Finance Officers Association of the United States and Canada (GFOA) recognized the County with the Distinguished Budget Presentation Award for the Adopted Operational Plan Fiscal Years 2011-2012 & 2012-2013. This award is a significant achievement for the County as it reflects the organization's commitment to maintaining the highest standards of governmental budgeting.
- For the fourth year in a row, the San Diego Society for Human Resource Management honored the District Attorney's Office with an Excellence Award for innovative planning that allowed the office to reduce its workforce by ten percent while maintaining quality of service to the public.
- The County's Popular Annual Financial Report (PAFR) earned the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association. The PAFR is designed to make the County's financial results more readable for a broader audience.
- California State Association of Counties (CSAC) Merit Award 2011
 - Regional GIS Data Exchange - this county-sponsored project improved Geographic Information Systems (GIS) data exchanges between local governments and regional governmental agencies, while lowering costs and increasing reliability.
- The Center for Digital Government provided national recognition to the County with two awards:
 - The Digital Government Achievement Award for an innovative program to help rural residents get Medi-Cal and CalFresh (formerly Food Stamps). This video program makes it easier for some 450,000 residents living in the rural North County and North Inland Regions to access needed County services.
- The County was awarded second place in the Digital Counties Survey 2011 for those with a population over 500,000. This award recognizes leading examples of counties using information and communications technology.
- The Department of General Services was honored for the fifth year in a row with the Award of Excellence 2011 from the California Counties Facilities Services Association for demonstrating exceptional dedication to facilities excellence through best practices, innovation, staff development, automation and customer service.
- The Department of General Services received a Qualifications-Based Selection Merit Award 2011 by the American Council of Engineering Companies and National Society of Professional Engineers. This national award recognizes those who use qualifications-based methods to procure the services of consulting engineers at the state and local level.
- The Department of Housing and Community Development received the Nan McKay Pioneer Award by Nan McKay & Associates, Inc. for its TourSolver software program, which optimizes inspector travel routes, saving approximately \$30,000 annually.
- The James R. Mills Building was awarded Building of the Year 2011 (TOBY) in the government category by the Building Owners and Managers Association. The award recognizes excellence in building operations, property management, energy and water cost saving upgrades.
- The Program Awareness Award 2011 was presented by the Child Support Directors Association of California to the Department of Child Support Services. The honor was in recognition of the department's new Spanish website, which mirrors the information and functionality of its English site.
- The Fallbrook Library was the winner of the People's Choice Orchid 2011 from the San Diego Architectural Foundation. The building achieved LEED Silver Certification for sustainable design. The library features include: natural lighting, "living room" area, Poets Patio, homework center, and a portion of the roof landscaped with succulents.
- The San Diego Chapter of Associated Builders & Contractors honored the Fallbrook Branch Library with an Award of Excellence 2011 and became a finalist for "Top Project by a General Contractor."

Acknowledgments

We would like to express our appreciation to the accounting staff of County departments and the staff of the Auditor and Controller's department whose coordination, dedication and professionalism are responsible for the preparation of this report. We would also like to thank Macias Gini & O'Connell LLP for their professional support in the preparation of the CAFR.

Lastly, we thank the members of the Board of Supervisors, the Chief Administrative Officer, Group/ Agency General Managers and their staff for using sound business practices while conducting the financial operations of the County.

Respectfully,



DONALD F. STEUER
Chief Financial Officer



TRACY M. SANDOVAL
Auditor and Controller